

Dear Trading Partner,

We have assembled this bulletin to inform all of our trading partners of current and upcoming changes and enhancements to the Kentucky workers' compensation EDI program. DWC is committed to working closely with trading partners to assure that exchange of information is efficient and accurate. If you have questions regarding the subjects discussed herein, please feel free to call or e-mail John Spicer at (502) 564-5550 x.540, john.spicer@mail.state.ky.us or Preston Gorman at x.426, preston.gorman@mail.state.ky.us.

DATE DISABILITY BEGAN

On November 15th, 1999 the Department of Workers Claims changed the Date Disability Began (DN0056) field from mandatory to conditional, dependent on the code reported in the Nature of Injury Field (DN0035).

If the Nature of Injury code is 59 or less, 90 or 91, the Date Disability Began field (DN0056) is required. The Date Disability Began is defined as the first date of work lost for a lost-time injury. When mandatory conditions are met, if the Date Disability Began field is not reported or has all zeros, the record will be rejected for IAIABC error code 045 which states, "Value is less than required by Jurisdiction".

If the Nature of Injury code is 60-80, then Date Disability Began is optional. Since these codes represent Occupational Illnesses or Cumulative Trauma injuries over time, a date of disability may or may not be reportable depending on the circumstances. When Date of Disability is optional, the record will be accepted unless the date given is invalid based on the current calendar system, or is inconsistent with other logical criteria. For example: Records wherein the date of disability is earlier than the date of injury will be rejected.

MEDICAL BILL REPORTING

The Department of Worker Claims mandated medical payment reporting in order to quantify the costs and analyze diagnosis and procedures associated with the treatment of work-related injuries and illnesses. 803 KAR 25:175 (3) (a) directs carriers to file electronically medical bill payment information for bills paid on or after July 1, 1999. However, due to delays in the release of the IAIABC Medical Implementation Manual, coupled with data requirement changes, the Department of Workers Claims will only require medical payment data for those bills paid on or after January 1, 2000. Extending the date for capturing payment data will eliminate the need for insurance carriers and third party administrators to perform back entry on thousands of records in order to capture data that was not originally deemed mandatory.

Kentucky is one of two states currently beta testing the IAIABC Medical Bill/Payment Reporting standards. Modifications to the standards have been made as a result of IAIABC Medical Committee meetings and trading partner testing. Kentucky realizes the hardship data modifications place on programming staff and have tried to keep changes to a minimum while still capturing pertinent information.

The Department of Workers Claims has received numerous inquiries regarding penalties associated with the inability to transmit medical bill payment data. The department has been diligently working with trading partners, reviewing files, providing bill critiques, and answering questions relative to medical payment reporting. At this time, it is the agency's goal to assist trading partners in obtaining production status, not to focus on the issuance of penalties. Extensions for being in production may be obtained from the Department if the request is submitted in writing and the trading partner can demonstrate that a good faith effort is being made to achieve production status. Requests for extensions should be directed to Deborah S. Wingate, Information and Research, Department of Workers Claims, 1270 Louisville Road, Frankfort, KY 40601 or by email to: Deborah.Wingate@mail.state.ky.us.

CONDITIONAL FIELDS DEFINED

Because of some discrepancies in the interpretation of “conditional field” between trading partners, here is a clarification:

Conditional fields become mandatory when the conditional criteria is met. For example, upon filing of an original first report of injury, if a conditional field’s criteria are met, that field should be populated. Also, if a conditional field is met *after* the filing of the first report of injury, it also becomes a mandatory field and must be reported as a change (02) to the first report.

BIMONTHLY REPORTS

The filing of periodic reports, MTC code BM, every 60 days is required by KRS 342.038(5). Subsequent reports with MTC Code BM must be filed for all injuries wherein disability extends beyond 60 days. These reports must include the cumulative payment amounts to date, rather than the amount paid over each 60 day period. Please refer to the DWC element table for subsequent reports for field requirements and formats.

INSURER, EMPLOYER, AND TPA FEIN

As of November 1, 1999 the Department of Workers Claims has instituted a series of edits involving the Insurer, Employer, and TPA FEIN fields, (DN0006, DN0008, and DN0016). On each first report, the Insurer (Carrier), will be checked against the Carrier Database maintained by the Department of Workers Claims Coverage Branch to ensure validity. Records with Insurer FEINs not found on the respective database will be rejected using IAIABC error code 039, which states, “Must be valid occurrence on table”.

A common mistake we have encountered is the use of the same FEIN in the Insurer, Employer and TPA FEIN fields. If a TPA does not administer the claim, then do not fill in the fields related to TPA. They are optional fields. Reports filed with all three fields containing the same FEIN will be rejected and the IAIABC error returned will be (058).

Special care should also be taken in reporting FEINs for self-insured employers. If a report received by DWC has the same FEIN in both the Employer and the Insurer FEIN fields, and the Self-

Insured indicator is “N”, this will be cause for rejection. The IAIABC error code that will be returned on the acknowledgment will be 061 which states, “Event Criteria not Met”. The field it will be returned in relation to is the Employer FEIN field. This is to alert the trading partner to the fact that the employer has been reported as the Insurer, but the Self-Insured indicator contradicts this relationship. The “Event Criteria” in this case that is not being met is the fact that in order for this to be acceptable, employers must be self-insured to be listed as both the employer and insurer.

CANCELLATION OF FIRST REPORTS OF INJURY

When filing a cancellation (01) of a FROI, please remember that cancellations are for instances wherein a previously filed FROI has been filed in error. For instance, test records filed with an incorrect test/production indicator may be cancelled because they do not represent “real” data. A denial (04), on the other hand, is used to report the circumstances of the injury for which the insurer is denying liability.

As a means of communicating the reason for a cancellation, DWC suggests using the Accident Description (DN0038) field to explain the circumstances necessitating cancellation. While the IAIABC intended for this field to be used exclusively for accident description, DWC is offering the use of this field for this purpose.

DEATH REPORTING

Kentucky does not require reporting of fatalities which are not work related. Investigation of fatality records in DWC databases indicates that many deaths reported to DWC are not work related. This results in statute letters being generated in error.

In the event a work related death is reported, the accident descriptions on fatality first reports should describe the accident as fatal. For instance:

correct - “Employee slipped under moving fork lift resulting in death”

incorrect - “Employee slipped under moving fork lift”

If the death occurs after the original injury is reported, a change (02) first report should be filed with a date of death and an accident description which indicates a fatality.

Y2K ROLLOVER

A review of DWC EDI systems since January 1, 2000 has indicated that preparations for Y2K rollover were effective. At this time we have not encountered any system errors which may be attributed to Y2K issues.

CLAIMANT POSTAL CODE

Effective November 1, 1999, DWC began checking the Employee Postal Code (DN0050) against a postal code table maintained by DWC. If you receive the IAIABC error, 039, which states, "Must be valid occurrence on table", it means the Claimant Postal Code field is populated with a postal code not on Kentucky's current list.

FIRST REPORT OF INJURY – DENIALS

The program for generating Statute of Limitations letters for FROI Denials, (04), is now in effect. The FROI Denial can be the original first report, or can be filed after a true Original, (00) has been filed. In either case, a statute letter is generated.

FREQUENTLY ASKED QUESTION

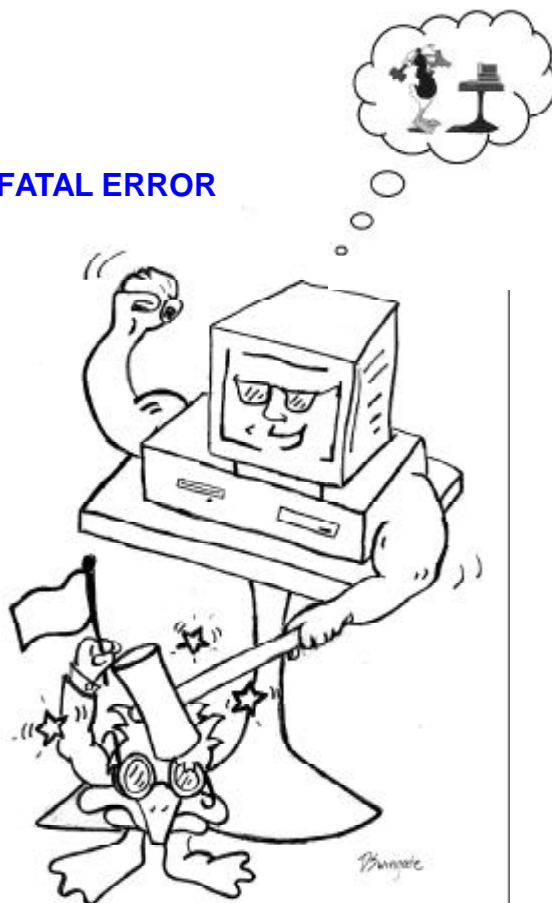
"I need to report an injury where the injured worker is drawing benefits, but isn't losing time from work because his/her employer is allowing him/her to continue to work with restricted duties. We are still paying a benefit that must be reported. Kentucky's edits will not allow an IP to be filed without first filing an Original First Report. What can I do to successfully file a no lost time Original, electronically?"

Normally, "no lost time" injuries do not need to be reported to the state. To prevent no-lost time filings, DWC installed an edit which preforms a simple subtraction of the Date Last Worked (DN0065) from the Date Returned to Work (DN0072). If the difference is less than 1

full day of lost time, the record is rejected for being no-lost-time. This edit applies only to records where the Nature of Injury code is 59 or less, 90, or 91. Records with Nature code 60-80 are Occupational Illness or Cumulative Trauma injuries. Partners should refrain from sending no-lost-time reports unless necessary to report subsequent events.

To file the report in question, omit the Date Returned to Work. It is conditional upon there being a date to provide. The omission of the date returned will bypass the "no-lost-time" edit and allow filing of the first report. However, when benefits as a result of restricted duty are terminated, a suspension of benefits (\$1) is required.

FATAL ERROR



"Trading Partners"

REPORTING THE DATE RETURNED TO WORK

Recently, DWC has undertaken a data quality project involving the reporting of return to work (DN0072) dates for first reports. Each carrier was given a list of their records for which a date of return to work had not been provided and subsequent reports showing payment, denial, or suspension of benefits were not filed.

Each partner was asked to respond with either a return to work date or subsequent report information.

Responses to this mailing have indicated confusion among trading partners regarding the return-to-work requirement. Return-to-work is a conditional field which becomes mandatory when the employee returns to work, regardless of whether or not benefits have been initiated.

The DWC database contains numerous first reports of injury with no return to work date or subsequent report on file. If an employee is absent from work for more than one day but returns prior to TTD benefit eligibility, a return to work date should be transmitted to the department as an (02) change transaction. If, however, an employee is receiveing TTD benefits, upon termination, adjustment, or every 60 days during disability, the carrier or third party administrator must file a (BM) Bi-monthly report.

In order to better serve Kentucky's workers and employers, the Dept. of Workers Claims will periodically generate reports to assure timely reporting and payment of TTD benefits.



This agency does not discriminate on the basis of race, color, national origin, religion, age or disability in employment or provision of services.

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<http://www.state.ky.us/agencies/labor/wrkclaim.htm>